

Ipswich Fee Based Advisers Group - IFBAG

The group was formed with two main principles in mind. These are standards which clients and professionals can expect of the member firms and also provide guidelines for those firms that may wish to join the group in the future.

- First, members agree that our services are engaged by clients only on a fee-basis. Many IFAs purport to offer fee-based advice, but in fact offer this only as an option where commission is likely to be unprofitable. Some will charge a fee, based on the predicted commission that would otherwise be earned. In either case, commission can distort the advice. The adviser's priority may be to sell a product which will generate the largest commission.

Member firms will always establish a fee-agreement at outset with the client and this will clearly state the level and style of fees that will be charged. It is only through this method that commission becomes irrelevant to the process of providing the correct advice.

- The second core principle recognises the importance of education, training, professional development and qualifications. Although there are statutory requirements for basic qualifications to be achieved, member firms believe that these are only the beginning of the education process for financial advisers.

There are a range of qualifications available to financial advisers, but the two most prominent and widely accepted are:

- Society of Financial Advisers. SOFA is the financial services arm of the Chartered Insurance Institute. The CII's Financial Planning Certificate is the entry level which enables advisers to practice. Progression through the advanced qualifications enables advisers to become members, associates and fellows of SOFA, and use the designatory initials MSFA, ASFA and FSFA.
- Institute of Financial Planning. As its title suggests, the IFP is geared towards the advancement of financial planning. Through an examination process members may gain associateship and fellowship of the Institute, and use the designatory initials AIFP and FIFP. Fellowship status leads to the international qualification Certified Financial Planner (CFP).

Both bodies demand a high level of commitment to examination success and continuing professional development (CPD). Members would expect any practicing adviser within the group to have achieved at least MSFA, and to be pursuing further qualifications in the discipline of his choice.

The group is keen to encourage other advisers to develop their own professional standards and through regular contact will provide appropriate support.

- In addition to these core principles, our professional colleagues and prospective clients can expect other minimum standards from members of the group. These will include the provision of an initial client meeting, without further obligation. Complete transparency of fee basis and commission treatment will be provided at outset. All member firms seek to build long term relationships with their clients, and therefore the highest of professional standards can be expected.